

Message Text

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SUBJ: EXAMPLES OF GOOD CORPORATE CITIZENSHIP

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1. ALMOST ALL MNC INVESTMENTS IN KOREA ARE JOINT VENTURES WITH KOREAN PARTNERS, AND MOST CORPORATE DECISIONS TO ENGAGE IN GOOD CITIZENSHIP ACTIVITIES ARE PRESUMABLY MADE JOINTLY. AS DO PRIVATE KOREAN COMPANIES, MNC JOINT VENTURES OFTEN CONTRIBUTE TO LOCAL CHARITIES AND COMMUNITY PROJECTS, USUALLY BUDGETING FOR THEM, AND ALSO MAKE SOMETIMES SUBSTANTIAL RELIEF DONATIONS IN CASES OF UNEXPECTED DISASTER. LIKEWISE, MANY MNC JOINT VENTURES, LIKE MANY OF THEIR KOREAN COUNTERPARTS, ARE ACTIVE IN THE "SAEMAUL" (NEW COMMUNITY) MOVEMENT, A NATIONAL PROGRAM AIMED AT IMPROVING THE PEOPLE'S DAILY LIFE UNDER THE MOTTO OF "DILIGENCE, SELF-HELP AND COOPERATION," DONATING BOTH MONEY AND LABOR TO ASSIST LOCAL COMMUNITIES. SOMETIMES LABOR DONATIONS ARE VOLUNTARY, SOMETIMES NOT.

2. LOCAL AMCHAM IS CURRENTLY CONDUCTING A SURVEY ON EXAMPLES OF CORPORATE CITIZENSHIP AMONG ITS MEMBERS, BUT SURVEY HAS UNFORTUNATELY NOT BEEN COMPLETED. THE ACTIVITIES OF ONE OF ITS MEMBERS, AN AMERICAN PETROLEUM COMPANY IN A LARGE JOINT VENTURE WITH KOREAN PRIVATE AND GOVERNMENTAL PARTNERS, IS
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ILLUSTRATIVE OF WHAT OTHER COMPANIES ARE DOING, ALTHOUGH NOT NECESSARILY ON AS LARGE A SCALE. IN THE RURAL DEVELOPMENT SECTOR, THIS COMPANY, IN 1972, INAUGURATED A "BRIDGES OF HOPE" PROJECT, UNDER WHICH EMPLOYEES AND MANAGEMENT HAVE MADE VOLUNTARY MONTHLY DONATIONS TO BUILD BRIDGES IN REMOTE RURAL AREAS. TO DATE, SEVEN SUCH BRIDGES HAVE BEEN CONSTRUCTED. KOREAN COMPANY EMPLOYEES CONCEIVE AND MANAGE THE CONSTRUCTION PRO-

JECTS, AND FOLLOW THROUGH ON PROGRESS. FROM 1975 TO 1978, THE COMPANY SPENT \$33,000 ON THESE PROJECTS. THE COMPANY HAS ALSO DONATED \$20,000 TO THE CHEJU ISLAND MODEL VILLAGE PROGRAM. THE COMPANY OPERATES A VOCATIONAL TRAINING SCHOOL TO IMPROVE THE SKILLS OF ITS EMPLOYEES, AND ALSO RUNS A TECHNICAL TRAINING SCHOOL FOR HIGH SCHOOL GRADUATES (100-150 PER YEAR), HAVING CONTRIBUTED CASH, AS WELL AS LAB EQUIPMENT AND INSTRUCTORS; ONLY A FEW OF THE GRADUATES OF THIS SCHOOL EVENTUALLY BECOME EMPLOYEES OF THE COMPANY. IT HAS CONTRIBUTED \$160,000 TO THE KOREAN RESEARCH INSTITUTE OF CHEMICAL TECHNOLOGY. THIS COMPANY'S CHARITABLE AND DISASTER ASSISTANCE HAVE INCLUDED \$10,000 FROM 1975 TO 1957 TO THE SOLDIERS AND CHILDREN'S ORPHANS HOME, \$41,000 (1976-77) TO THE VETERANS FAMILY RELIEF FUND, \$10,000 IN 1976 AND \$8,000 IN 1977 TO FLOOD RELIEF, AND \$20,000 TO VICTIMS OF LAST YEAR'S IRI RAILROAD EXPLOSION. IN 1977 THE COMPANY DONATED \$2,000 TO A JOINT EXCHANGE OF STUDENTS BETWEEN THE UNIV. OF KANSAS AND EHWA UNIVERSITY. IT CONTRIBUTED \$4,000 EACH IN 1976 AND 1977 TO A PROGRAM TO PRESENT GIFTS TO ROK FRONT-LINE TROOPS AT CHRISTMAS TIME.

3. THE ACTIVITY OF ANOTHER AMERICAN-KOREAN JOINT VENTURE COMPANY IN THE AUTOMOBILE SECTOR IS SIMILAR. IT OPERATES A VOCATIONAL EDUCATION PROGRAM WHICH HAS TRAINED OVER 500 PEOPLE SINCE 1976 IN BASIC TRADES, SUCH AS WELDING, MOTOR REPAIR AND METALWORK; TRAINEES OBLIGATE THEMSELVES TO WORK FOR THE COMPANY FOR AT LEAST TWICE THE LENGTH OF THE TRAINING PERIOD, USUALLY LIMITED OFFICIAL USE

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SIX MONTHS, BUT THEN ARE FREE TO WORK ELSEWHERE. THE COMPANY'S CURRENT BUDGET FOR THIS PROGRAM IS \$380,000. THE COMPANY ALSO VOLUNTEERED TO BECOME A SAEMAUL FACTORY, WITH 1,500 WORKERS ENROLLED THIS YEAR IN A PROGRAM TO TRAIN LEADERS FOR COMMUNITY ACTION AND TO INCULCATE A SOUND WORK ETHIC; THIS YEAR'S BUDGET FOR THE PROGRAM IS BETWEEN \$40,000 AND \$50,000. ITS CHARITABLE CONTRIBUTIONS LAST YEAR INCLUDED \$60,000 TO THE VETERANS FAMILY RELIEF FUND, VOLUNTARY DONATIONS TO VARIOUS SCHOOLS AND TO A HOME FOR THE AGED.

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4. AN AMERICAN-KOREAN JOINT VENTURE IN THE PETROCHEMICAL SECTOR SPONSORS ANNUALLY A "BETTER YIELD CONTEST," IN WHICH THE COMPANY DONATES ASSISTANCE IN CROP MANAGEMENT TO THE FARMERS AND PRIZES FOR THE WINNERS. THE COMPANY HAS ALSO CONTRIBUTED FERTILIZER SPREADERS AND HANDBOOKS TO FARMERS, AND SUPPORTS 4-H ACTIVITIES IN THE COUNTRY. ANOTHER COMPANY TRADITION IS THE DONATION BY EMPLOYEES OF TWO DAYS LABOR TO THE FARMERS: ONE DAY FOR TRANSPLANTING RICE SEEDLINGS, ANOTHER FOR BRINGING IN THE HARVEST. IT OPERATES A SCHOLARSHIP SYSTEM FOR AGRICULTURAL HIGH SCHOOL STUDENTS AND HAS DONATED \$53,600 TO A RURAL TECHNICAL HIGH SCHOOL FOR PURCHASING MACHINERY AND EQUIPMENT REQUIRED FOR TRAINING STUDENTS. THIS COMPANY IS ALSO ACTIVE IN THE SAEMAUL MOVEMENT, AND HAS CONTRIBUTED MONEY AND LABOR TO ASSIST LOCAL COMMUNITIES IMPROVE LIVING CONDITIONS.

5. EXECUTIVES OF 22 COMPANIES, HALF KOREAN AND HALF FOREIGN, ARE MEMBERS OF A "SAVE THE CHILDREN" ADVISORY COMMITTEE, HELPING WITH FUND-RAISING AND OFFERING GUIDANCE TO LOCAL ORGANIZATIONS WITH THE AIM OF HELPING CHILDREN REALIZE BETTER OPPORTUNITIES.

6. ALL THE EXAMPLES CITED ABOVE MAY BE, TO ONE DEGREE OR ANOTHER, SOMEWHAT SELF-SERVING, BUT PROBABLY NO MORE SO THAN IN ANY OTHER COUNTRY. A DECISION TO ENGAGE IN SOME ACTIVITIES, SUCH AS COOPERATING WITH THE NATIONAL SAEMAUL MOVEMENT, MAY BE "VOLUNTARY" IN PART, AND IN PART REQUIRED BY LOCAL CUSTOM.

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MUCH OF IT IS A MATTER OF DEGREE. THE AMERICAN MANAGER OF ONE US-KOREAN JOINT VENTURE, WHICH MAKES RATHER SUBSTANTIAL FINANCIAL AND LABOR CONTRIBUTIONS TO VOCATIONAL, COMMUNITY, AND SAEMAUL PROJECTS, EXPLAINED THAT IN DECIDING TO BECOME ENGAGED IN SUCH ACTIVITIES, HE HAD TO OVERRULE HIS FINANCIAL OFFICER, REASONING THAT ALTHOUGH THE CONTRIBUTIONS ARE COSTLY, THEY DO RESULT IN BETTER WORKING CONDITIONS, A HAPPIER COMMUNITY, AND A BETTER PUBLIC IMAGE FOR THE COMPANY; ON BALANCE HE THOUGHT THE BENEFITS OUTWEIGH THE COSTS.

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